

Today's Post Bag See 30,000 Jobless By End of April

THE WEATHER

	A	S	D
Jerusalem	64	74	78
Tel Aviv	66	76	80
Haifa	68	78	82
Beirut	70	80	84
Amman	62	72	76
Baghdad	60	70	74
London	58	68	72
Paris	56	66	70
Rome	54	64	68
Moscow	52	62	66
Stockholm	50	60	64
Helsinki	48	58	62
Oslo	46	56	60
Copenhagen	44	54	58
Berlin	42	52	56
Frankfurt	40	50	54
Munich	38	48	52
Vienna	36	46	50
Zurich	34	44	48
Geneva	32	42	46
Basel	30	40	44
Brussels	28	38	42
Amsterdam	26	36	40
London	24	34	38
Paris	22	32	36
Rome	20	30	34
Moscow	18	28	32
Stockholm	16	26	30
Helsinki	14	24	28
Oslo	12	22	26
Copenhagen	10	20	24
Berlin	8	18	22
Frankfurt	6	16	20
Munich	4	14	18
Vienna	2	12	16
Zurich	0	10	14
Geneva	-2	8	12
Basel	-4	6	10
Brussels	-6	4	8
Amsterdam	-8	2	6
London	-10	0	4
Paris	-12	-2	2
Rome	-14	-4	0
Moscow	-16	-6	-2
Stockholm	-18	-8	-4
Helsinki	-20	-10	-6
Oslo	-22	-12	-8
Copenhagen	-24	-14	-10
Berlin	-26	-16	-12
Frankfurt	-28	-18	-14
Munich	-30	-20	-16
Vienna	-32	-22	-18
Zurich	-34	-24	-20
Geneva	-36	-26	-22
Basel	-38	-28	-24
Brussels	-40	-30	-26
Amsterdam	-42	-32	-28
London	-44	-34	-30
Paris	-46	-36	-32
Rome	-48	-38	-34
Moscow	-50	-40	-36
Stockholm	-52	-42	-38
Helsinki	-54	-44	-40
Oslo	-56	-46	-42
Copenhagen	-58	-48	-44
Berlin	-60	-50	-46
Frankfurt	-62	-52	-48
Munich	-64	-54	-50
Vienna	-66	-56	-52
Zurich	-68	-58	-54
Geneva	-70	-60	-56
Basel	-72	-62	-58
Brussels	-74	-64	-60
Amsterdam	-76	-66	-62
London	-78	-68	-64
Paris	-80	-70	-66
Rome	-82	-72	-68
Moscow	-84	-74	-70
Stockholm	-86	-76	-72
Helsinki	-88	-78	-74
Oslo	-90	-80	-76
Copenhagen	-92	-82	-78
Berlin	-94	-84	-80
Frankfurt	-96	-86	-82
Munich	-98	-88	-84
Vienna	-100	-90	-86
Zurich	-102	-92	-88
Geneva	-104	-94	-90
Basel	-106	-96	-92
Brussels	-108	-98	-94
Amsterdam	-110	-100	-96
London	-112	-102	-98
Paris	-114	-104	-100
Rome	-116	-106	-102
Moscow	-118	-108	-104
Stockholm	-120	-110	-106
Helsinki	-122	-112	-108
Oslo	-124	-114	-110
Copenhagen	-126	-116	-112
Berlin	-128	-118	-114
Frankfurt	-130	-120	-116
Munich	-132	-122	-118
Vienna	-134	-124	-120
Zurich	-136	-126	-122
Geneva	-138	-128	-124
Basel	-140	-130	-126
Brussels	-142	-132	-128
Amsterdam	-144	-134	-130
London	-146	-136	-132
Paris	-148	-138	-134
Rome	-150	-140	-136
Moscow	-152	-142	-138
Stockholm	-154	-144	-140
Helsinki	-156	-146	-142
Oslo	-158	-148	-144
Copenhagen	-160	-150	-146
Berlin	-162	-152	-148
Frankfurt	-164	-154	-150
Munich	-166	-156	-152
Vienna	-168	-158	-154
Zurich	-170	-160	-156
Geneva	-172	-162	-158
Basel	-174	-164	-160
Brussels	-176	-166	-162
Amsterdam	-178	-168	-164
London	-180	-170	-166
Paris	-182	-172	-168
Rome	-184	-174	-170
Moscow	-186	-176	-172
Stockholm	-188	-178	-174
Helsinki	-190	-180	-176
Oslo	-192	-182	-178
Copenhagen	-194	-184	-180
Berlin	-196	-186	-182
Frankfurt	-198	-188	-184
Munich	-200	-190	-186
Vienna	-202	-192	-188
Zurich	-204	-194	-190
Geneva	-206	-196	-192
Basel	-208	-198	-194
Brussels	-210	-200	-196
Amsterdam	-212	-202	-198
London	-214	-204	-200
Paris	-216	-206	-202
Rome	-218	-208	-204
Moscow	-220	-210	-206
Stockholm	-222	-212	-208
Helsinki	-224	-214	-210
Oslo	-226	-216	-212
Copenhagen	-228	-218	-214
Berlin	-230	-220	-216
Frankfurt	-232	-222	-218
Munich	-234	-224	-220
Vienna	-236	-226	-222
Zurich	-238	-228	-224
Geneva	-240	-230	-226
Basel	-242	-232	-228
Brussels	-244	-234	-230
Amsterdam	-246	-236	-232
London	-248	-238	-234
Paris	-250	-240	-236
Rome	-252	-242	-238
Moscow	-254	-244	-240
Stockholm	-256	-246	-242
Helsinki	-258	-248	-244
Oslo	-260	-250	-246
Copenhagen	-262	-252	-248
Berlin	-264	-254	-250
Frankfurt	-266	-256	-252
Munich	-268	-258	-254
Vienna	-270	-260	-256
Zurich	-272	-262	-258
Geneva	-274	-264	-260
Basel	-276	-266	-262
Brussels	-278	-268	-264
Amsterdam	-280	-270	-266
London	-282	-272	-268
Paris	-284	-274	-270
Rome	-286	-276	-272
Moscow	-288	-278	-274
Stockholm	-290	-280	-276
Helsinki	-292	-282	-278
Oslo	-294	-284	-280
Copenhagen	-296	-286	-282
Berlin	-298	-288	-284
Frankfurt	-300	-290	-286
Munich	-302	-292	-288
Vienna	-304	-294	-290
Zurich	-306	-296	-292
Geneva	-308	-298	-294
Basel	-310	-300	-296
Brussels	-312	-302	-298
Amsterdam	-314	-304	-300
London	-316	-306	-302
Paris	-318	-308	-304
Rome	-320	-310	-306
Moscow	-322	-312	-308
Stockholm	-324	-314	-310
Helsinki	-326	-316	-312
Oslo	-328	-318	-314
Copenhagen	-330	-320	-316
Berlin	-332	-322	-318
Frankfurt	-334	-324	-320
Munich	-336	-326	-322
Vienna	-338	-328	-324
Zurich	-340	-330	-326
Geneva	-342	-332	-328
Basel	-344	-334	-330
Brussels	-346	-336	-332
Amsterdam	-348	-338	-334
London	-350	-340	-336
Paris	-352	-342	-338
Rome	-354	-344	-340
Moscow	-356	-346	-342
Stockholm	-358	-348	-344
Helsinki	-360	-350	-346
Oslo	-362	-352	-348
Copenhagen	-364	-354	-350
Berlin	-366	-356	-352
Frankfurt	-368	-358	-354
Munich	-370	-360	-356
Vienna	-372	-362	-358
Zurich	-374	-364	-360
Geneva	-376	-366	-362
Basel	-378	-368	-364
Brussels	-380	-370	-366
Amsterdam	-382	-372	-368
London	-384	-374	-370
Paris	-386	-376	-372
Rome	-388	-378	-374
Moscow	-390	-380	-376
Stockholm	-392	-382	-378
Helsinki	-394	-384	-380
Oslo	-396	-386	-382
Copenhagen	-398	-388	-384
Berlin	-400	-390	-386
Frankfurt	-402	-392	-388
Munich	-404	-394	-390
Vienna	-406	-396	-392
Zurich	-408	-398	-394
Geneva	-410	-400	-396
Basel	-412	-402	-398
Brussels	-414	-404	-400
Amsterdam	-416	-406	-402
London	-418	-408	-404
Paris	-420	-410	-406
Rome	-422	-412	-408
Moscow	-424	-414	-410
Stockholm	-426	-416	-412
Helsinki	-428	-418	-414
Oslo	-430	-420	-416
Copenhagen	-432	-422	-418
Berlin	-434	-424	-420
Frankfurt	-436	-426	-422
Munich	-438	-428	-424
Vienna	-440	-430	-426
Zurich	-442	-432	-428
Geneva	-444	-434	-430
Basel	-446	-436	-432
Brussels	-448	-438	-434
Amsterdam	-450	-440	-436
London	-452	-442	-438
Paris	-454	-444	-440
Rome	-456	-446	-442
Moscow	-458	-448	-444
Stockholm	-460	-450	-446
Helsinki	-462	-452	-448
Oslo	-464	-454	-450
Copenhagen	-466	-456	-452
Berlin	-468	-458	-454
Frankfurt	-470	-460	-456
Munich	-472	-462	-458
Vienna	-474	-464	-460
Zurich	-476	-466	-462
Geneva	-478	-468	-464
Basel	-480	-470	-466
Brussels	-482	-472	-468
Amsterdam	-484	-474	-470
London	-486	-476	-472
Paris	-488	-478	-474
Rome	-490	-480	-476
Moscow	-492	-482	-478
Stockholm	-494	-484	-480
Helsinki	-496	-486	-482
Oslo	-498	-488	-484
Copenhagen	-500	-490	-486
Berlin	-502	-492	-488
Frankfurt	-504	-494	-490
Munich	-506	-496	-492
Vienna	-508	-498	-494
Zurich	-510	-500	-496
Geneva	-512	-502	-498
Basel	-514	-504	-500
Brussels	-516	-506	-502
Amsterdam	-518	-508	-504
London	-520	-510	-506
Paris	-522	-512	-508
Rome	-524	-514	-510
Moscow	-526	-516	-512
Stockholm	-528	-518	-514
Helsinki	-530	-520	-516
Oslo	-532	-522	-518
Copenhagen	-534	-524	-520
Berlin	-536	-526	-522
Frankfurt	-538	-528	-524
Munich	-540	-530	-526
Vienna	-542	-532	-528
Zurich	-544	-534	-530
Geneva	-546	-536	-532
Basel	-548	-538	-534
Brussels	-550	-540	-536
Amsterdam	-552	-542	-538
London	-554	-544	-540
Paris	-556	-546	-542
Rome	-558	-548	-544
Moscow	-560	-550	-546
Stockholm	-562	-552	-548
Helsinki	-564	-554	-550
Oslo	-566	-556	-552
Copenhagen	-568	-558	-554
Berlin	-570	-560	-556
Frankfurt	-572	-562	-558
Munich	-574	-564	-560
Vienna	-576	-566	-562
Zurich	-578	-568	-564
Geneva	-580	-570	-566
Basel	-582	-572	-568
Brussels	-584	-574	-570
Amsterdam	-586	-576	-572
London	-588	-578	-574
Paris	-590	-580	-576
Rome	-592	-582	-578
Moscow	-594	-584	-580
Stockholm	-596	-586	-582
Helsinki	-598	-588	-584
Oslo	-600	-590	-586
Copenhagen	-602	-592	-588
Berlin	-604	-594	-590

Rise in Real Earnings

MAN-DAYS worked in industry in 1953 were at the same level as in 1952, but real earnings per employee (before deducting income tax) were higher by 1 per cent and the sum of real wages rose by 1.5 per cent, according to figures released by the Central Bureau of Statistics and Economic Research. Real wages improved most in the electrical, textile and chemical industries, but were depressed in confectionery, woodworking, leather and diamond industries.

The cost-of-living index in December was 20 per cent above its level in December of 1952, but the index of wholesale prices has risen by 20 per cent in the same period, indicating that part of the increased costs has not been passed on to consumers. Building costs have risen by 34 per cent.

THE JERUSALEM POST

Founded and Edited
HERSCHEL ABRON

Tuesday, March 23, 1954
No. 11, 1954 - Page 1, 2

RECENT figures of export

Statistics make impressive reading, quite apart from citrus, which is profiting from the exceptional export circumstances in Spain. Industrial exports are running at a level two and a half times as much as a year ago, and the increase is no longer limited to a few big items. Agriculture, exports, too, are making their first hopeful starts on a commercial basis. Foreign trade relations also seem to be improving. The prolonged standstill in the Turkish market has come to an end. Trade agreements have been signed with Italy and Hungary, barrier trade with Russia is proceeding satisfactorily, and negotiations are under way with Poland, Finland and Bulgaria. In 1953 total exports reached \$59m., i.e. 18 per cent of our outlay in foreign currency, but this year a \$80m. target seems realistic enough, and if this trend continues the time may be not far off when the added value to our exports will suffice to pay for, say, our fuel dollar bill.

Encouraging as these prospects are, we should not lose sight of the many serious problems still lurking ahead. It would be premature to expect the recurrence of this season's citrus yields and prices, though the damage to the Spanish groves will probably be felt over several years. But the diamond industry, our second single export, is still in a latent crisis and its importance as a provider of added value is open to many doubts. Of the other industrial exports, which now account for about \$25m. per month, only one-third go to hard-currency markets, while the other two-thirds are sold under clearing agreements and on barter terms. Recent developments have demonstrated that it is dangerous to have two such comparatively narrow markets reeling from the effects of our exports. Even when Turkish export licences are again granted, our articles will meet with increased competition there, and the resumption of trade with Finland is not yet assured. The trade agreement with Italy, though hailed as breaking new ground, has been received in export quarters without much enthusiasm, and in Hungary our sales have been made dependent upon our ability to deliver the goods at world market prices.

After all, the price question remains crucial in the hedged clearing markets too, and in spite of all efforts it is not certain whether we are not losing in high-priced imports a large portion of the added value booked on our clearing accounts. The high and varying premiums attained in these closed markets are also a constant source of frustration to the exporters. The Treasury has therefore long been endeavouring to play safe by converting the clearing accounts into free dollars, but it had to learn from experience that such transactions cannot be pushed beyond certain limits and that it cannot rely upon the maintenance of the high premiums necessary to make such transactions profitable. On the other hand, the more our exports to clearing markets develop the more are the relevant imports likely to help to inflate our costs.

A similar development is working its way in another direction as well, for exports to free markets are only made possible by the profits achieved on the local market. The more these sales against hard currency are extended, the more exports become dependent upon the price paid and the quantities sold to the local consumers, whether this is manifested in an outright subsidy paid to exporters (as is the practice for agricultural products) or in added value deposited in industry for import of raw materials for the local sales. Should the added value be allowed to be used for export of goods only (as is currently mooted), most export calculations would be completely upset. But even so it is to be doubted whether the small local market can serve on the long run as a sufficient basis for subsidizing an over-growing export.

The perennial outcome of this situation is that just now voices are heard warning against harnessing our economy into the web of exports. Not only are dangerous, but excessive reliance on subsidies in any form, which may lead us to artificially maintaining sales abroad while not being able to stand the ensuing strain on the internal level of costs and prices. Instead of deliberately increasing the difference between the internal and the external value of our currency, much more stress should therefore be put on genuine reduction of production and handling expenses, relieving export industries from the high fiscal burden, and ensuring them free access to the cheapest sources of raw materials.

Implications of the Budget

THE public has accepted the news of a budget of IL570m. with surprising calmness. After the first shock was over and the explanations of the Treasury had done their job, people began to think that in the last resort everything might go on as before. If taxes remain high and if prices rise, there is always for the worker the linking of wages and salaries to the cost of living index. First, so it is hoped - will take care of the heaviest burdens. And if unemployment threatens to rise after the close of the orange-picking season, there is still the development budget with its emergency works, which might help to take care of the worst hardships. Thus there spreads a certain sense of acquiescence.

New Steps Towards Sterling Convertibility

THE British Treasury has announced (as already reported in *The Jerusalem Post*) two important measures: First, a substantial extension of the sterling transferable area; and secondly, re-opening of the London gold market after an interval of 11 years.

The first measure means practically the removal of restrictions on the use of transferable account sterling for capital transactions in future there will be three main areas for British exchange control: a) Dollar account sterling, consisting of Canada, U.S. and Latin American States, which can be used for any kind of transaction; b) "Resident" sterling, which as until now can be used for any transaction in the sterling area. This sterling area is made up of Commonwealth countries except Canada, U.S. and Latin American States, which can be used for any kind of transaction; c) The new transferable sterling account area, consisting of all non-sterling countries outside the dollar area (including Israel) with, however, three exceptions: Hungary, Turkey and Persia.

Free Sterling Rate

While using the transferable account outside the dollar area, the countries will not be restricted to current transactions and will be permitted to use the same for capital deals as well; neither will there be a restriction as to the rate at which sterling is passed from one sterling area to another. Previously many countries were bound to transact such business only at rates corresponding to official rates.

The new step will have the advantage of encouraging the use of sterling in payments transactions over large areas of the world, without extending the dollar region itself and without imposing any direct pressure on the sterling area's gold and dollar reserves.

By extending the transferable account system, previously limited to 18 countries, to all countries outside the dollar and sterling areas and by re-opening the gold market in London, the Bank of England and the British Treasury intend to re-establish the financial centre of London.

The gold market will operate under the general supervision of the Bank of England, and the prices will be determined by supply and demand. As a result, the London bullion market yesterday at Messrs. Rothschild for the first time since the war, when it was closed, was permitted to sell gold in the London market, purchases will be restricted to:

a) Those sterling transfers to local accounts;

b) Residents of the sterling area with special licence of the Bank of England for gold and manuf. using purposes;

c) Those who have registered sterling in a new kind of transferable account, which will be acquired against U.S. or Canadian dollars or against gold by someone who is resident outside the sterling area.

It is noteworthy that the first rumours about the impending move of the British Treasury originate from the Continent. Correspondents suggest that British authorities may have been prompted to speed up earlier plans to open the gold market in London as a result of German taking important measures in the direction of convertibility, which might mean a challenge to the financial leadership. Other European countries, too, are preparing exchange control reforms, intended to encourage use of their currency in international trade and commerce.

It will be recalled that sterling has greatly improved its international standing in the last two years. With reserves still inadequate, full convertibility cannot yet be achieved, but the steps are a significant development towards this goal.

Role of New Israel Bank

THE Bank of Israel Bill, at present referred by the Cabinet to its Economic Committee, will come to be tabled in the Knesset. It will be based on the pattern of post-World War II state bank legislation best suited for modern economic conditions, as in Ceylon, Ecuador and other Latin American countries.

The countries listed may be generally classified as "underdeveloped," especially with regard to their money market. In countries with a developed money market, "open market" operations (purchase and sale of Government bonds in line with fiscal policy to create "tight" or "easy" money), and discounting bills (for purchasing bills discounted by commercial banks) are the major orthodox techniques of a central bank. These are not fully effective in underdeveloped countries.

Bankers' Bank

It is expected that the Bank of Israel, which will be a bankers' bank and a bank of issue (of currency), will aim at a determination of rates of interest, and endeavour to make its rates effective through moral suasion, with order and fiat to be used as a last resort. The crucial problem of relations between the Bank and the Government will be solved by direct Presidential appointment of the Bank's Governor (Nagid) and a modest possibility of carrying on, between the present position and a new inflation.

It is generally pointed out that this process of streamlining the administration must take time. It is questionable, however, whether it could not be done within a few months, especially as the Lavon Commission has achieved this much material which could be used by a determined reformer.

But even if the Knesset does not have the power, the knowledge and the nerve to cut the budget, the Government could try not to spend all the money which it gets. If this sounds like a "clearing" of the budget, only shows that we are still unable to adjust ourselves to reality.

Capital Construction Of Fertilizers and Chemicals

WHEN reviewing the present dispute over the Government's share and voting power in Fertilizers and Chemicals Ltd., it is worth considering the structure of this company must be considered.

Up to the end of 1953 Fertilizers and Chemicals Ltd. of Haifa had a capital of IL12.12m., about half of it in foreign currency, but at least IL3.5m. were needed for completion of the plants. The company had a surplus of IL1.5m. and a reserve of IL1.5m. (annual capacity 50,000 tons) and superphosphate plant (annual capacity 50,000 tons) are in operation, but a series of ancillary units are being built and should have been ready in the course of the next two years, had not lack of cash forced the company to stay behind schedule.

Product Capacity Completion

Product	Capacity Completion
Superphosphate	50,000 in operation
Sulphuric acid	50,000 in operation
Sulphate	10,000 Sept. 1954
Calcium	10,000 Sept. 1954
Ammonia	10,000 Dec. 1954
Sulphate	10,000 Jan. 1955
Nitric acid	10,000 March 1955
Nitrate	10,000 March 1955

At present about 50 per cent of the services needed for the plant (electricity, water supply, railway sidings, roads, laboratories, offices, workshops, stores, etc.) have been completed. A number of minor plants have also been built and are under construction. Total requirements as estimated in the beginning of 1954 were \$7.4m. for purchases abroad and IL7.4m. for local requirements, including building, local manufacture and other expenses. Most of the foreign currency has been obtained at the rate of IL1.5 per dollar, but if the present rate of IL1.5 is employed the investment would run as high as IL12.1m.

The greater part of the sums invested up to now has been obtained by the company in form of loans, namely:

From the Israel Govt.	IL 2,925,000
From the Bank of Israel	IL 1,100,000
From the Bank of Palestine	IL 1,100,000
From the Bank of Egypt	IL 1,100,000
From the Bank of Syria	IL 1,100,000
From the Bank of Iraq	IL 1,100,000
From the Bank of Persia	IL 1,100,000
From the Bank of Turkey	IL 1,100,000
From the Bank of Greece	IL 1,100,000
From the Bank of France	IL 1,100,000
From the Bank of Germany	IL 1,100,000
From the Bank of Italy	IL 1,100,000
From the Bank of Spain	IL 1,100,000
From the Bank of Portugal	IL 1,100,000
From the Bank of Belgium	IL 1,100,000
From the Bank of Netherlands	IL 1,100,000
From the Bank of Denmark	IL 1,100,000
From the Bank of Sweden	IL 1,100,000
From the Bank of Norway	IL 1,100,000
From the Bank of Finland	IL 1,100,000
From the Bank of Austria	IL 1,100,000
From the Bank of Czechoslovakia	IL 1,100,000
From the Bank of Poland	IL 1,100,000
From the Bank of Hungary	IL 1,100,000
From the Bank of Rumania	IL 1,100,000
From the Bank of Bulgaria	IL 1,100,000
From the Bank of Yugoslavia	IL 1,100,000
From the Bank of Albania	IL 1,100,000
From the Bank of Greece	IL 1,100,000
From the Bank of Turkey	IL 1,100,000
From the Bank of Persia	IL 1,100,000
From the Bank of Iraq	IL 1,100,000
From the Bank of Syria	IL 1,100,000
From the Bank of Egypt	IL 1,100,000
From the Bank of Palestine	IL 1,100,000
From the Bank of Israel	IL 1,100,000

THE WEEK IN THE STOCK EXCHANGE

THE dollar and sterling linked securities continued their downward trend, which later spread to a number of other securities. On the other hand, Government bonds in IL, Bank Leumi shares, Nesher and Pal Cold Storage debentures remained in demand. Tasev Dollar lost 15 and 32 pruta respectively during the week. Pal Potash ordinary shares 22 points, the preference shares 2 points. Jerusalem Electric shares 19 points. Palestine Electric shares, London Register 9 points and the Israel Register 2 points. Also Asia shares were 11 points easier. This reaction, probably caused on profit-taking, may be considered a natural development. Since the reaction set in last week, the lower constituents only a small part of the previous gains. The same trend was evident in a number of other shares, with Jerusalem Electric losing close to 5 points and Asia shares 3 points. Bank Leumi shares continued their rise adding during the week 24 points, which came partly as a recovery of previous losses and partly as further advance. Palestine Cold Storage debentures improved on account of good business reports and good dividends which the Company will distribute shortly to its holders. It will be recalled that these debentures are convertible into ordinary shares as from April 1, 1954 at the ratio of 100 shares for each 150 debentures. The debentures went on half-yearly coupon and practically kept the price of before the ex date. Nesher debentures enjoyed some demand with the "B" issue predominant in the market. A firm tendency to rise was evident in the Milve Milchman and Shitrit Erez, which advanced some 2 points. Shitrit Erez went ex coupon, the large denomination half-yearly and the small full year coupons. The demand for these bonds seems to be connected with amortization purchases.

LONDON. — The approach of the budget and weekend considerations tended to restrict activity and some sections displayed dullness after the firm trend of the first part of the week. Industrial issues were unattractive because of the engineering wage dispute. The Germans continued to dominate the foreign bonds section, while oil was mixed. Kafirs were firm on account of the recent encouraging speech by the South African Finance Minister. Reuters Daily Index for industrial was 159.8, after having touched earlier 160.4, and against 159 last week. Kafirs were 97.1 as against 96.4 last week.

Readers' Letters

Editor, *The Jerusalem Post*

Sir:—I would be grateful if you would publish some facts pertaining to a letter by a Mr. Enos which appeared in *The Jerusalem Post* of January 18, 1954.

According to Section 3 of the Income Tax Ordinance Law 1953, every person was liable to submit a declaration to the Director of Taxation by January 1, 1954, only 54,135 independent taxpayers (not employees) submitted declarations. Of these 2,258 declared they were exempt from the 20,997 independent taxpayers who declared themselves liable to the advance payment are grouped as follows:

Group	Number
1. Exempt	10,427
2. Exempt	1,579
3. Exempt	1,689
4. Exempt	1,237
5. Exempt	1,181
6. Exempt	1,116
7. Exempt	1,116
8. Exempt	1,116
9. Exempt	1,116
10. Exempt	1,116
11. Exempt	1,116
12. Exempt	1,116
13. Exempt	1,116
14. Exempt	1,116
15. Exempt	1,116
16. Exempt	1,116
17. Exempt	1,116
18. Exempt	1,116
19. Exempt	1,116
20. Exempt	1,116
21. Exempt	1,116
22. Exempt	1,116
23. Exempt	1,116
24. Exempt	1,116
25. Exempt	1,116
26. Exempt	1,116
27. Exempt	1,116
28. Exempt	1,116
29. Exempt	1,116
30. Exempt	1,116
31. Exempt	1,116
32. Exempt	1,116
33. Exempt	1,116
34. Exempt	1,116
35. Exempt	1,116
36. Exempt	1,116
37. Exempt	1,116
38. Exempt	1,116
39. Exempt	1,116
40. Exempt	1,116
41. Exempt	1,116
42. Exempt	1,116
43. Exempt	1,116
44. Exempt	1,116
45. Exempt	1,116
46. Exempt	1,116
47. Exempt	1,116
48. Exempt	1,116
49. Exempt	1,116
50. Exempt	1,116

Since the numbers of taxpayers are so small, it is not surprising that the sums which were actually declared both fall short of the true position, the Director of Taxation.

As for the right of appeal about the amount determined by the Director, Section 10 (a) clearly provides that an assessee may submit an appeal, giving reasons for it within 7 days of the date of delivery of the notice and after payment of the tax determined.

I would like to point out that the demand for payment can in no sense be considered as prejudicing right of appeal on the contrary, it is customary in many countries that an appeal under a "consolidation" does not exempt a taxpayer from liability to pay the tax. Yours, etc., Y. LARON, Public Relations Officer, Ministry of Finance.

Fierce Competition Hits Small Factories

REINFORCING over the almost complete decontrol of the food industry has rapidly given way to rather depressed spirits, for the result of the new freedom has been a fierce competition, which threatens the very existence of many smaller units. Several macaroni producers, for example, are trying in vain to dispose of their plants, unable to compete with the big Osem concern. A similar situation looms in the confectionery industry. After a short-lived boom, sales are now falling off and wholesale prices have been considerably reduced.

Smaller factories, which are confined to the local market and have no earnings in foreign currency, are experiencing difficulties in getting many imported articles, mainly for the better kinds of products (which also have bigger profit margins). Biscuit prices, too, dropped by about 20 per cent under the stress of large sales of foreign products. The ample supply of fresh vegetables has an adverse effect on the demand for canned goods, and in this industry, too, some closures are regarded as inevitable.

An interesting sidelight is thrown on the situation by the fact that most price reductions do not reach the consumer, for retailers prefer to maintain stable prices, pocketing additional profits. (more than twice) and local sales were 2.4 times bigger than in the preceding year. The credit balance represents approximately two months' proceeds, but is understood to have increased since, both in figures and in turnover. The bulk of this item are book credits or customers' cheques, but not bills, for discounting is meeting with increasing difficulties. The company's bank credit has risen only by IL3,000 (to IL19,000) but it obtained an additional IL50,000 loan from shareholders. Accumulated costs (wages, salaries, etc.) also rose from IL23,000 to IL70,000. Block of raw materials and manufactured goods, which in 1952 had risen to a peak of IL579,000, dropped to IL521,000, and correspondingly "creditors and credit balances" were reduced from IL480,000 to IL283,000. (Not included in this item were IL65,000 which the company owes on account of the compulsory loan and some amounts connected with raw materials purchased abroad.) The manufactured stock has been further reduced during the second half of the year, in order to keep pace with the changing market. Twenty six per cent of total sales in 1952/53 were export, and in the balance sheet foreign currency deposits

Breakdown of Share Capital

Shareholders	Ord. Pref. Total
Israel Govt.	625 200 825
Bank of Israel	400 100 500
Bank of Palestine	400 100 500
Bank of Egypt	400 100 500
Bank of Syria	400 100 500
Bank of Iraq	400 100 500
Bank of Persia	400 100 500
Bank of Turkey	400 100 500
Bank of Greece	400 100 500
Bank of France	400 100 500
Bank of Germany	400 100 500
Bank of Italy	400 100 500
Bank of Spain	400 100 500
Bank of Portugal	400 100 500
Bank of Belgium	400 100 500
Bank of Netherlands	400 100 500
Bank of Denmark	400 100 500
Bank of Sweden	400 100 500
Bank of Norway	400 100 500
Bank of Finland	400 100 500
Bank of Austria	400 100 500
Bank of Czechoslovakia	400 100 500
Bank of Poland	400 100 500
Bank of Hungary	400 100 500
Bank of Rumania	400 100 500
Bank of Bulgaria	400 100 500
Bank of Yugoslavia	400 100 500
Bank of Albania	400 100 500
Bank of Greece	400 100 500
Bank of Turkey	400 100 500
Bank of Persia	400 100 500
Bank of Iraq	400 100 500
Bank of Syria	400 100 500
Bank of Egypt	400 100 500
Bank of Palestine	400 100 500
Bank of Israel	400 100 500

FEWER COMPANIES REGISTERED IN '53

SHARES registered for issue in 1953 totalled IL52m., (as compared with IL58m. in 1952), but of this, IL19m. only were registered in the second half of the year. There was also a marked drop in the registration of new companies: altogether 1,243 were registered with a nominal capital of IL1.15m. as against IL2.28m. in the preceding year. However, 417 existing companies registered in 1953, as against 387 in 1952, and the share capital to the amount of IL57m., compared with IL30m. in 1952.

In those branches in which the new shares were registered in industry ranked first, followed by finance, with agriculture third.

COMPANY REPORTS

Lodzia Textile Ltd.

IN the Balance Sheet of "Lodzia" Textile Company Ltd. for end of June 1953, signs of stiffer liquidity in local market are noticeable, but one would have expected credits to customers have risen by IL102,000 to IL287,000, but total turnover increased to a considerable extent (more than twice) and local sales were 2.4 times bigger than in the preceding year. The credit balance represents approximately two months' proceeds, but is understood to have increased since, both in figures and in turnover. The bulk of this item are book credits or customers' cheques, but not bills, for discounting is meeting with increasing difficulties. The company's bank credit has risen only by IL3,000 (to IL19,000) but it obtained an additional IL50,000 loan from shareholders. Accumulated costs (wages, salaries, etc.) also rose from IL23,000 to IL70,000. Block of raw materials and manufactured goods, which in 1952 had risen to a peak of IL579,000, dropped to IL521,000, and correspondingly "creditors and credit balances" were reduced from IL480,000 to IL283,000. (Not included in this item were IL65,000 which the company owes on account of the compulsory loan and some amounts connected with raw materials purchased abroad.) The manufactured stock has been further reduced during the second half of the year, in order to keep pace with the changing market. Twenty six per cent of total sales in 1952/53 were export, and in the balance sheet foreign currency deposits

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